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MONTANA'S

PRIORITY BUDGETING SYSTEM

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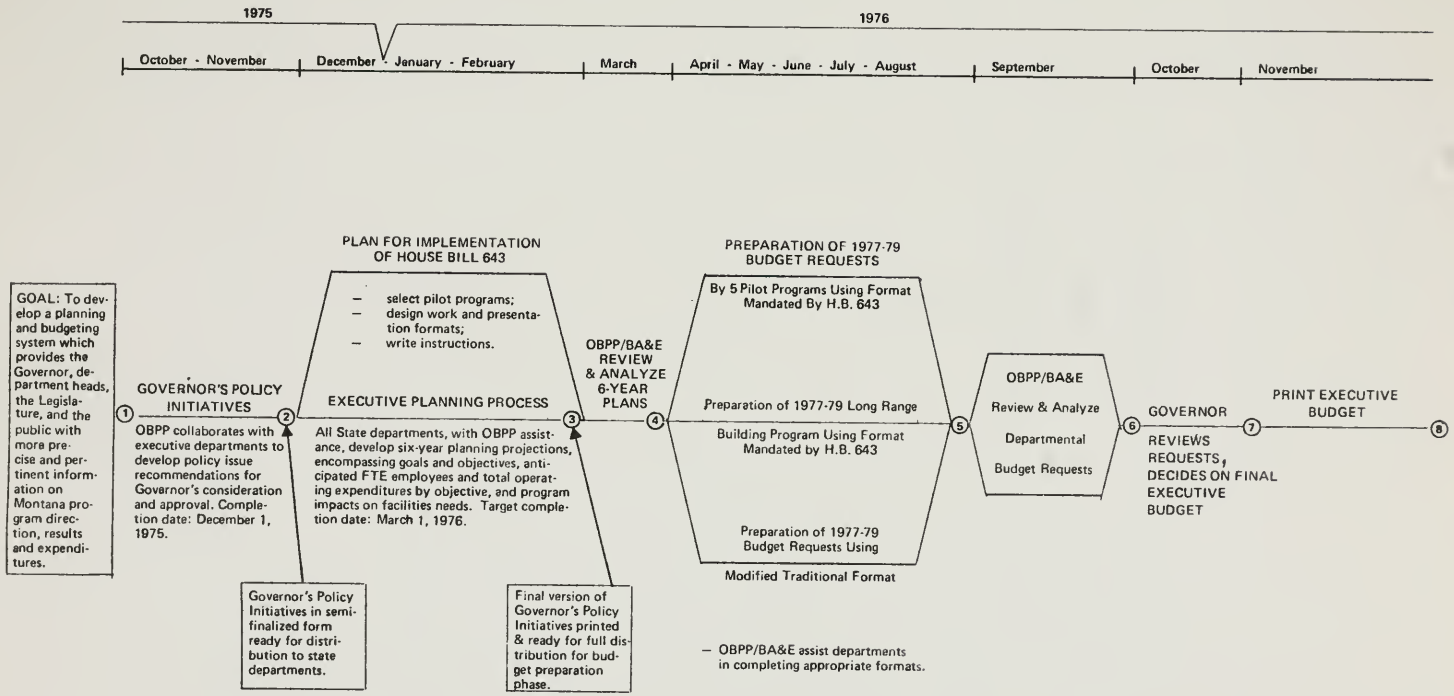
OFFICE OF BUDGET AND PROGRAM PLANNING – DEVELOPMENT OF PLANNING – PROGRAMMING – BUDGETING SYSTEM


1975
1976
October - November
December - January - February
March
April - May - June - July - August
September
October
November
GOAL: To develop a planning and budgeting system which provides the Governor, department heads, the Legislature, and the public with more precise and pertinent information on Montana program direction, results and expenditures.
1
GOVERNOR'S POLICY INITIATIVES
OBPP collaborates with executive departments to develop policy issue recommendations for Governor's consideration and approval. Completion date: December 1, 1975.
2
PLAN FOR IMPLEMENTATION OF HOUSE BILL 643
– select pilot programs;
– design work and presentation formats;
– write instructions.
EXECUTIVE PLANNING PROCESS
All State departments, with OBPP assistance, develop six-year planning projections, encompassing goals and objectives, anticipated FTE employees and total operating expenditures by objective, and program impacts on facilities needs. Target completion date: March 1, 1976.
3
OBPP/BA&E REVIEW & ANALYZE 6-YEAR PLANS
4
PREPARATION OF 1977-79 BUDGET REQUESTS
By 5 Pilot Programs Using Format Mandated By H.B. 643
Preparation of 1977-79 Long Range Building Program Using Format Mandated by H.B. 643
Preparation of 1977-79 Budget Requests Using Modified Traditional Format
5
OBPP/BA&E Review & Analyze Departmental Budget Requests
6
GOVERNOR REVIEWS REQUESTS, DECIDES ON FINAL EXECUTIVE BUDGET
7
PRINT EXECUTIVE BUDGET
8
Governor's Policy Initiatives in semi-finalized form ready for distribution to state departments.
Final version of Governor's Policy Initiatives printed & ready for full distribution for budget preparation phase.
– OBPP/BA&E assist departments in completing appropriate formats.

ADVANTAGES AND DISADVANTAGES OF PBS

ADVANTAGES OF P B S

SUPPORTS A TOTAL REVIEW APPROACH

- Evaluates the validity of statutes and objectives enacted and developed over a long period of time.
- Identifies previously inarticulated assumptions, unsupported opinion and emotional rhetoric used to justify programs.
- Promotes accountability – fosters acceptance of responsibility for results and provides a ready method of program evaluation.
- Requires a review of current as well as proposed program activities and solicits alternatives to program operation

FACILITATES BETTER DECISION MAKING

- Provides more and improved quality of information.
- Emphasizes in-depth analysis – cost benefit and efficiency analysis.
- Brings together program planning, budget development, and operational decision making.

AIDS RESOURCE ALLOCATION

- Provides rational means to reduce or control budget growth.
- Helps shift funds from low to high priority areas.
- Identifies possible areas for reductions or eliminations in tight funding situations.

PROMOTES BETTER COMMUNICATION AND COORDINATION

- Provides opportunity for participative management.
- Requires involvement of program managers – not just centralized services personnel.
- Stimulates increased interaction between budget office and program personnel.

DISADVANTAGES OF P B S

ENCOMPASSES SUBSTANTIAL AMOUNTS OF ADMINISTRATIVE MACHINERY

- Utilizes numerous documents for obtaining information.
- Requires significant amounts of detail.
- Requires additional staff and agency time.

IMPLEMENTATION PROBLEMS

- Agency and staff resistance encountered.
- Limited quality of information submitted.
- Lack of understanding of basic concept encountered.

HIGHER COST

- Cost will increase for training agency personnel and hiring additional staff.
- Need for developing an information retrieval system for evaluation.
- Political costs – requires more legislative review.

MISCELLANEOUS DISADVANTAGES

- Funding structure not reviewed on equal basis (Federal and Earmarked versus General Fund).
- Arbitrary funding levels restrictive.
- Current accounting system does not facilitate PBS detail.

MONTANA'S PRIORITY BUDGETING SYSTEM

GLOSSARY

Budget Program Structure

1. Functional area: each area represents a major purpose of state government. The seven functional areas which have been identified for current state operations include Education, Human Services, Economy and the Environment, Community Affairs, Public Safety, Transportation, and General Government.

2. Program: the logical grouping of a set of activities directed to a common purpose. Programs are grouped within functional areas such as Physical Health, Mental Health, Deaf and Blind Services, etc., under Human Services.

3. Sub-program: the basic component of a program, the sub-program is the third level of detail and should reflect efforts necessary to achieve stated goals. Examples would be Centralized Services, Weights and Measures, Financial, Milk Control and Consumer Protection within Business Regulation.

4. Activity: a discrete function or operation designed to achieve a specific objective through work outputs which have a measurable policy effect.

Note: Budget program structure does not necessarily parallel organizational program structure. The activity is the basic building block which should relate to either the budget or operating structure.

Objective

A statement of planned result, quantifiable within a specific time frame.

Workload and/or Demand Estimator

The original impetus (citizens, legislation, natural causes) for directing resources to achieve desired results.

Output Measure

An accountable unit of work at the activity level which measures the extent of that activity. (The term substitutes for "Program size indicator" in H.B. 643).

Effectiveness Indicator

An indication of the effect that activities have upon individuals or the environment.

Current Level Services

The level of effort authorized by a program's 1977 fiscal year appropriation plus inescapable increases due to salary adjustments and inflation. (Activities authorized through budget amendment are not part of current level services but should be considered as a modification of current level services.)

Activity Decision Package

A means of analyzing the use of resources by discrete operational units within a program using performance measures for evaluation. Analysis of the relationship of outputs and inputs to different funding levels is used to compare and then rank the decision packages in a manner which will ensure the greatest possible benefit.

Pilot Program	Department
Board of Crime Control	Justice
Consumer Protection	Business Regulation (all)
Fish and Game	Fish and Game (all)
Health Services	Health and Environmental Sciences
Highway Maintenance	Highways
Highway Traffic Safety	Community Affairs
Montana Historical Society	Education
Youth Services	Social & Rehabilitation Services Institutions

1975 Executive Budget Presentation

Department of Business Regulation

-- all programs

The Department of Business Regulation was established under the Executive Reorganization Act of 1971; it is provided for in Sections 82A-401 through 406, R.C.M. 1947. The Department's function is to regulate the various business entities subject to its jurisdiction, including banks and other state chartered or licensed institutions, the milk industry, and all weighing and measuring devices in Montana. The Department also administers consumer protection laws and the Unfair Practices Act, and establishes minimum criteria for and licenses proprietary post-secondary school.

The goal of the Department of Business Regulation is to exercise its legislatively delegated authority to perform its regulatory functions in a manner which insures equitable treatment to both business and consumer. In pursuit of this goal, the Department seeks to diligently and aggressively administer its several programs, efficiently and economically accomplishing its mission.

SUMMARY		1975 Biennium Actual FY 1974	1975 Biennium Estimated FY 1975	1977 Biennium Recommended FY 1976	1977 Biennium Recommended FY 1977
EMPLOYEE F.T.E.		41.81	47.50	51.50	52.50
	SUMMARY BY PROGRAM				
01	Centralized Services	$ 71,924	$ 81,651	$ 108,958	$ 128,788
02	Weights and Measures	148,949	169,183	204,491	211,677
03	Financial	261,618	298,301	374,711	404,100
04	Trade Regulation	30,249	59,034	45,573	48,119
05	Milk Control	119,823	123,792	156,398	169,131
06	Consumer Protection	37,070	45,169	50,674	53,304
07	Private Post-secondary Education	0	0	41,814	44,193
TOTAL PROGRAMS		$ 669,633	$ 777,130	$ 982,619	$ 1,059,312
	SUMMARY BY CATEGORY				
1000	Personal Services	$ 479,324	$ 559,598	$ 726,487	$ 799,915
2000	Operating Expenses	181,089	205,603	240,963	254,147
3000	Equipment and Livestock	9,220	11,929	15,169	5,250
TOTAL BY CATEGORY		$ 669,633	$ 777,130	$ 982,619	$ 1,059,312
	SUMMARY OF FUNDING				
01100	General Fund Account	$ 501,497	$ 573,262	$ 755,486	$ 812,320
02049	Milk Control ERA	133,687	139,936	176,263	192,612
02200	Food Distributors ERA	34,449	63,932	50,870	54,380
TOTAL FUNDING		$ 669,633	$ 777,130	$ 982,619	$ 1,059,312

DEPARTMENT OF BUSINESS REGULATION

PROGRAM COSTS	1975 Biennium Actual FY 1974	1975 Biennium Estimated FY 1975	1977 Biennium Recommended FY 1976	1977 Biennium Recommended FY 1977

CENTRALIZED SERVICES

Program Description and Goals: The Centralized Services Program functions as a support to the other programs in the Department, performing day-to-day administrative responsibilities such as accounting, budgeting, payroll, purchasing, property control, personnel, and legal assistance. The program's goal is to increase efficiency in administrative operations to provide the most effective level of support to the Department.

Program Objectives: To provide an effective liaison between the Department of Administration and the Department of Business Regulation in the execution of administrative directives and requests; to maintain accurate financial records; and to implement a classification and compensation plan in order to establish and maintain effective personnel management.

EMPLOYEE F.T.E.		4.50	5.25	6.25	7.25
1000	Personal Services	$ 57,217	$ 66,534	$ 91,558	$ 110,738
2000	Operating Expenses	12,082	14,250	16,100	17,050
3000	Equipment and Livestock	2,625	867	1,300	1,000
TOTAL PROGRAM		$ 71,924	$ 81,651	$ 108,958	$ 128,788
FUNDING DETAIL:					
01100	General Fund Account	$ 53,860	$ 60,609	$ 83,796@	$ 99,046@
02049	Milk Control ERA	13,864	16,144	19,865@	23,481@
02200	Food Distributors ERA	4,200	4,898	5,297@	6,261@
TOTAL FUNDING		$ 71,924	$ 81,651	$ 108,958	$ 128,788

WEIGHTS AND MEASURES

Program Description and Goals: The Weights and Measures Program is responsible for testing and inspecting all weighing and measuring devices, and calibrating all weights and measures. Also, the program investigates complaints about violations of weights and measures laws and regulations; regulates labeling, advertising, and quantity control of pre-packaged products; licenses all state petroleum dealers; and collects license and scale test fees. The goal of the program is to insure that equity prevails in all commercial transactions involving determination of quantity.

Program Objectives: To increase efforts in regulation of labeling and quantity of pre-packaged products.

EMPLOYEE F.T.E.		9.84	11.00	11.00	11.00
1000	Personal Services	$ 95,104	$ 111,194	$ 131,271	$ 142,867
2000	Operating Expenses	51,863	52,569	64,470	68,110
3000	Equipment and Livestock	1,982	5,420	8,750	700
TOTAL PROGRAM		$ 148,949	$ 169,183	$ 204,491	$ 211,677
FUNDING DETAIL:					
01100	General Fund Account	$ 148,949	$ 169,183	$ 204,491@	$ 211,677@
TOTAL FUNDING		$ 148,949	$ 169,183	$ 204,491	$ 211,677

PROGRAM COSTS	1975 Biennium Actual FY 1974	1975 Biennium Estimated FY 1975	1977 Biennium Recommended FY 1976	1977 Biennium Recommended FY 1977
FINANCIAL				
EMPLOYEE F.T.E.	15.92	18.00	19.00	19.00
1000 Personal Services	$ 197,085	$ 230,545	$ 290,702	$ 316,251
2000 Operating Expenses	62,762	66,614	82,474	86,599
3000 Equipment and Livestock	1,771	1,142	1,535	1,250
TOTAL PROGRAM	$ 261,618	$ 298,301	$ 374,711	$ 404,100
FUNDING DETAIL:				
01100 General Fund Account	$ 261,618	$ 298,301	$ 374,711@	$ 404,100@
TOTAL FUNDING	$ 261,618	$ 298,301	$ 374,711	$ 404,100

Program Description and Goals: The Financial Program is responsible for chartering, licensing, supervising, and examining state banks, savings and loan associations, credit unions, consumer loan licensees, and small loan companies. The major goals of the program are to effectively act as guardian of the public's interests in Montana financial institutions, and to prevent loss resulting from mismanagement or insolvency of state financial organizations.

Program Objectives: To maintain a competent, well-trained staff of examining personnel capable of reviewing the operations of financial institutions, offering guidance and constructive criticism to management of these institutions, and appraising their soundness; and to develop useful statistics and data regarding the state's financial institutions.

TRADE REGULATION				
EMPLOYEE F.T.E.	1.53	2.50	2.20	2.20
1000 Personal Services	$ 21,551	$ 32,112	$ 30,403	$ 32,649
2000 Operating Expenses	7,617	24,322	14,870	14,870
3000 Equipment and Livestock	1,081	2,600	300	600
TOTAL PROGRAM	$ 30,249	$ 59,034	$ 45,573	$ 48,119
FUNDING DETAIL:				
02200 Food Distributors ERA	$ 30,249	$ 59,034	$ 45,573@	$ 48,119@
TOTAL FUNDING	$ 30,249	$ 59,034	$ 45,573	$ 48,119

Program Description and Goals: The Trade Regulation Program, which replaced the Board of Trade in 1973, is responsible for effectively enforcing the Unfair Practices Act and for insuring fair competition in state businesses.

Program Objectives: To investigate complaints of violations of the Unfair Practices Act; to utilize the enforcement provisions of the Act; and to aid in developing an on-going educational program for all Montana merchants regulated under this Act.

PROGRAM COSTS	1975 Biennium Actual FY 1974	1975 Biennium Estimated FY 1975	1977 Biennium Recommended FY 1976	1977 Biennium Recommended FY 1977
MILK CONTROL				
EMPLOYEE F.T.E.	7.52	8.25	8.25	8.25
1000 Personal Services	$ 78,846	$ 87,147	$ 113,354	$ 123,093
2000 Operating Expenses	40,521	35,745	42,344	45,438
3000 Equipment and Livestock	456	900	700	600
TOTAL PROGRAM	$ 119,823	$ 123,792	$ 156,398	$ 169,131
FUNDING DETAIL:				
02049 Milk Control ERA	$ 119,823	$ 123,792	$ 156,398@	$ 169,131@
TOTAL FUNDING	$ 119,823	$ 123,792	$ 156,398	$ 169,131

Program Description and Goals: The Milk Control Program is responsible for assuring the milk producers of Montana proper payment and equitable treatment, preventing monopolies, and assuring an adequate supply of milk at a fair price to consumers.

Program Objectives: To perform audits; conduct cost studies on producing, processing, and delivering milk; investigate alleged violations of fair trade and pricing regulations; and investigate consumer complaints on quality of products and service.

CONSUMER PROTECTION				
EMPLOYEE F.T.E.	2.50	2.50	2.60	2.60
1000 Personal Services	$ 29,521	$ 32,066	$ 38,314	$ 41,044
2000 Operating Expenses	6,244	12,103	11,810	11,810
3000 Equipment and Livestock	1,305	1,000	550	450
TOTAL PROGRAM	$ 37,070	$ 45,169	$ 50,674	$ 53,304
FUNDING DETAIL:				
01100 General Fund Account	$ 37,070	$ 45,169	$ 50,674@	$ 53,304@
TOTAL FUNDING	$ 37,070	$ 45,169	$ 50,674	$ 53,304

Program Description and Goals: The Consumer Protection Program, created in 1973, is responsible for protection of the Montana consumer from unfair or deceptive acts or practices in the conduct of any trade or commerce, enforcing the provisions of the Unfair Practices Act and the Consumer Protection Act.

Program Objectives: To promptly and efficiently investigate legitimate consumer complaints; to utilize enforcement provisions of the consumer laws in eliminating unfair or deceptive business practices; and to educate Montana consumers so that they may make good decisions in their transactions in trade or commerce.

PROGRAM COSTS	1975 Biennium Actual FY 1974	1975 Biennium Estimated FY 1975	1977 Biennium Recommended FY 1976	1977 Biennium Recommended FY 1977

PRIVATE POST-SECONDARY EDUCATION

Program Description and Goals: The Private Post-secondary Education Program is responsible for regulating proprietary post-secondary educational institutions, assuring Montanans the opportunity to obtain and receive an education commensurate with their abilities and desires.

Program Objectives: To set minimum criteria standards in consultation with the Commissioner of Higher Education, to act upon applications for licenses or permits for these institutions, and to work with the Advisory Council on Private Post-secondary Education on all matters pertaining to policy, rules, regulations, and procedures necessary to regulating these institutions.

EMPLOYEE F.T.E.	.00	.00	2.20	2.20
1000 Personal Services	$ 0	$ 0	$ 30,885	$ 33,273
2000 Operating Expenses	0	0	8,895	10,270
3000 Equipment and Livestock	0	0	2,034	650
TOTAL PROGRAM	$ 0	$ 0	$ 41,814	$ 44,193
FUNDING DETAIL:				
01100 General Fund Account	$ 0	$ 0	$ 41,814@	$ 44,193@
TOTAL FUNDING	$ 0	$ 0	$ 41,814	$ 44,193

1975 Executive Budget Presentation

Department of Health and

Environmental Sciences

— Health Services

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM COSTS	1975 Biennium Actual FY 1974	1975 Biennium Estimated FY 1975	1977 Biennium Recommended FY 1976	1977 Biennium Recommended FY 1977

HEALTH SERVICES

Program Description and Goals: The Health Services Program provides services directed to improvement of the health of mothers and children. It also provides services to alleviate chronic illness, to assist in the prevention of accidents, and to decrease the incidence of infirmities related to aging. The goal of the program is to provide those services which will protect the adult population from health losses because of injuries, chronic diseases, and the process of aging.

Program Objectives: To maintain the present low maternal mortality rate and reduce the infant mortality rate; to increase the percentage of newborn infants tested for phenyl keton uria (PKU) and women tested for rubella to lower the incidence of mental retardation; to provide information and services for family planning; to promote good dental health and dental hygiene education; and to provide restorative services to children afflicted with handicaps resulting from disease, birth, or accidents.

EMPLOYEE F.T.E.	79.67	100.63	101.99	99.99
1000 Personal Services	$ 861,036	$ 1,114,531	$ 1,389,795	$ 1,475,257
2000 Operating Expenses	708,043	855,302	2,992,470	2,969,065
3000 Equipment and Livestock	56,545	25,592	22,610	7,050
TOTAL OPERATING COSTS	1,625,624	1,995,425	4,404,875	4,451,372
6000 Grants	637,929	1,790,269	1,618,679	1,659,500
TOTAL PROGRAM	$ 2,263,553	$ 3,785,694	$ 6,023,554	$ 6,110,872
FUNDING DETAIL:				
01100 General Fund Account	$ 513,264	$ 1,033,193	$ 1,263,067@	$ 1,356,729@
04237 Heart & Chest X-Ray Survey FPRA	4,963	5,000	5,000@	5,000@
04413 Public Health FPRA	1,745,326	2,747,501	4,755,487@	4,749,143@
TOTAL FUNDING	$ 2,263,553	$ 3,785,694	$ 6,023,554	$ 6,110,872

SAMPLE

1977 Executive Budget Presentation

Modified Format*

* Modified requests for all agencies other than the pilots will address workload increases, cost increases above current level and new services.

ELIGIBILITY DETERMINATION

PROGRAM COSTS	Actual FY 1976	Estimated FY 1977	Recommended FY 1978 Current Level Services	Recommended FY 1978 Expanded Services	Recommended FY 1978 TOTAL	Recommended FY 1979 Current Level Services	Recommended FY 1979 Expanded Services	Recommended FY 1979 TOTAL
Authorized FTE - 44th Legislature	255.12	255.12	255.12		255.12	255.12		255.12
Additional Authorized FTE	5.00	5.00		5.00	5.00		5.00	5.00
TOTAL AUTHORIZED FTE	**260.12**	**260.12**	**255.12**	**5.00**	**260.12**	**255.12**	**5.00**	**260.12**
Personal Services	$ 2,422,146	$ 2,664,361	$ 3,000,000	$ 60,000	$ 3,060,000	$ 3,050,000	$ 66,000	$ 3,116,000
Operating Expenses	1,823,941	1,840,716	1,300,000	500,000	1,800,000	1,430,000	550,000	1,980,000
Equipment & Livestock	13,400	13,400	801	10,000	10,801	1,000	11,000	12,000
TOTAL OPERATING COSTS	4,259,487	4,518,477	4,300,801	570,000	4,870,801	4,481,000	627,000	5,108,000
Transfers	0	0	0	0	0	0	0	0
Grants	0	0	0	0	0	0	0	0
TOTAL PROGRAM	$ 4,259,487	$ 4,518,477	$ 4,300,801	$ 570,000	$ 4,870,801	$ 4,481,000	$ 627,000	$ 5,108,000
FUNDING DETAIL:								
General Fund	789,148	$ 914,524	$ 1,000,000	$ 570,000	$ 1,570,000	$ 1,100,000	$ 627,000	$ 1,727,000
Earmarked Revenue Fund	0	0	0	0	0	0	0	0
Federal & Private Revenue Fund	2,338,612	2,400,152	2,000,000	0	2,000,000	2,200,000	0	2,200,000
Revolving Fund	1,131,727	1,203,801	1,300,801	0	1,300,801	1,181,000	0	1,181,000
TOTAL FUNDING	$ 4,259,487	$ 4,518,477	$ 4,300,801	$ 570,000	$ 4,870,801	$ 4,481,000	$ 627,000	$ 5,108,000

Sample

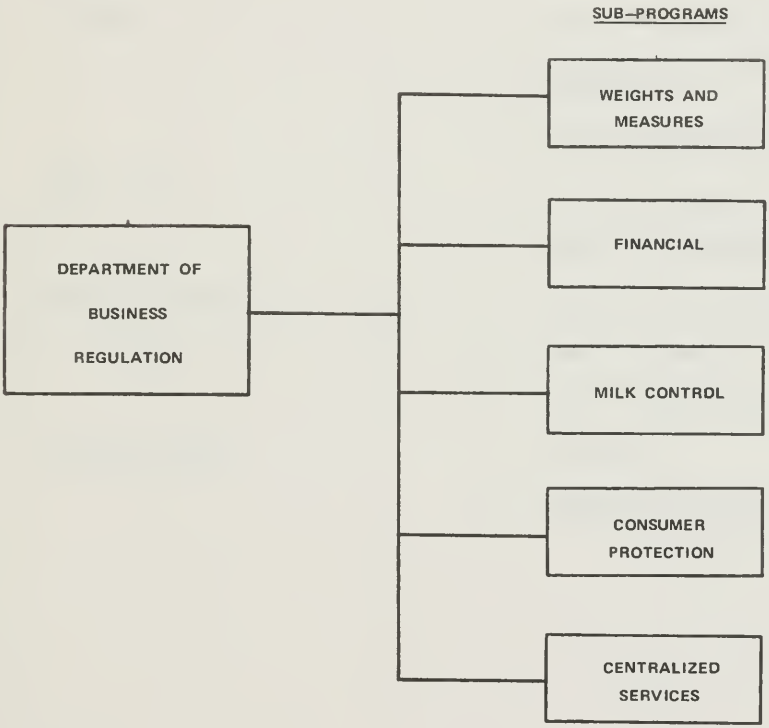
The Eligibility Determination Program is responsible for supervising county public welfare departments in eligibility determination for the Aid to Dependent Children and Medically Needy programs, and for coordinating food supplement programs for eligible Montanans. The goal of the program is to provide a uniform statewide determination of eligibility for programs under the jurisdiction of the Department.

Objectives of the program are to provide needy families better nutrition through food supplement programs; to provide equal treatment in determining eligibility to persons in similar circumstances; and to provide service to eligible persons as quickly as possible.

EXPANDED SERVICE:

Food stamp outreach services were provided in FY 76 and FY 77 by budget amendment. This program will be funded by the Federal Government until June 30, 1977 We recommend that it be continued in FY 78 and FY 79. Five regional coordinators are required. The remainder of the outreach is done by local groups on a contract with the state.

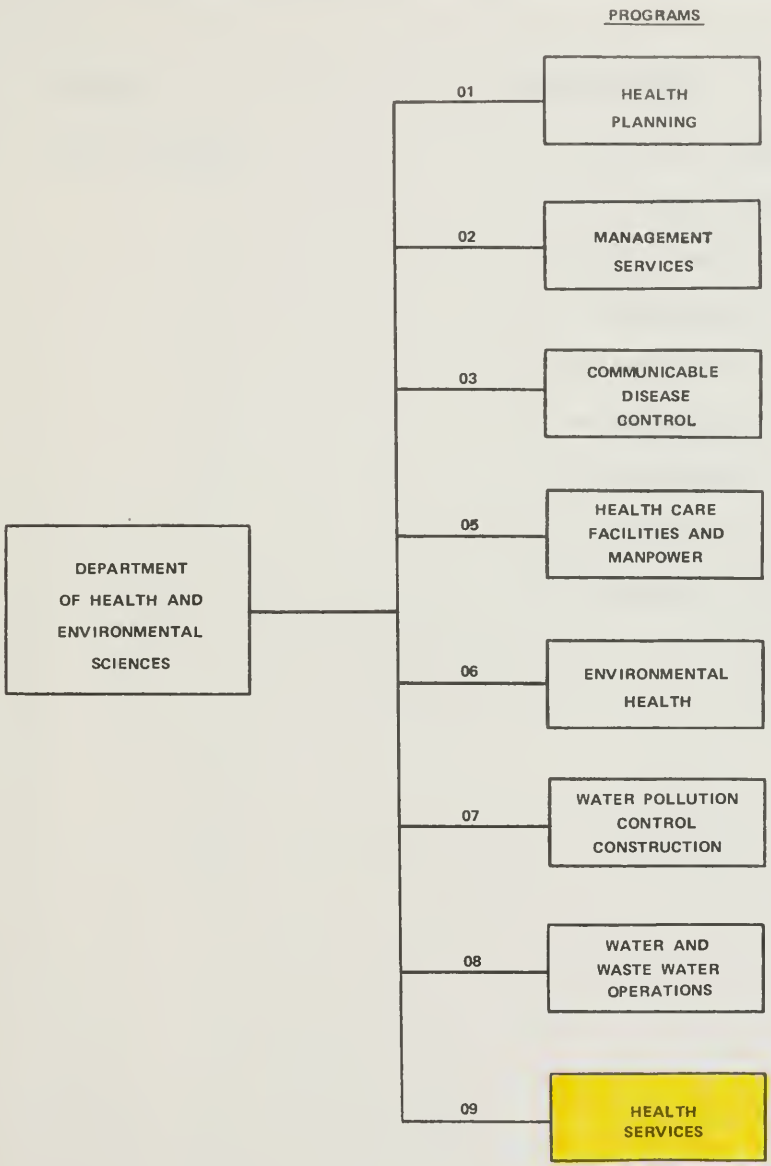
BUDGET PROGRAM CLASSIFICATION STRUCTURE



DEPARTMENT OF BUSINESS REGULATION

SUB-PROGRAMS	ACTIVITIES
Weights and Measures	1. Licensing/Administrative Support
	2. Inspection, Calibration and Testing
	3. Complaints and Investigation
	4. L.P. Gas Vapor Meter Testing and Metric System Implementation
Financial	1. Bank Examination and Supervision
	2. Consumer Loan Investigation and Examination
	3. Program Administration and Support
Milk Control	1. Audit and Investigation
	2. Program Administration and Support
Consumer Protection	1. Investigation and Enforcement
	2. Consumer Education
	3. Program Administration and Support
Centralized Services	1. Legal Services
	2. Departmental Administration

BUDGET PROGRAM CLASSIFICATION STRUCTURE



DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

PROGRAM	SUB-PROGRAMS
HEALTH SERVICES	1. Handicapped Children
	2. Early Detection and Treatment
	3. Nutrition Services
	4. Family Planning
	5. Chronic Disease
	6. Nursing Services
	7. Health Education
	8. Dental Health
	9. Administration

Priority Budgeting System

ACTIVITY DECISION PACKAGE

1. Activity Name	2. Program	3. Department	4. Rank
Nutrition (A)	Health Services	Health and Environmental Sciences	3

5. OBJECTIVE To achieve nutritional well being in the population served as stated in output measures (item 9 below) to the degree stated in the impact indicators (item 11 below) within the 1978-79.

7. DESCRIBE RECOMMENDED METHOD OF OPERATION

1. Utilization of contracts to local health providers to cover the delivery of district-wide health services and food packages.
2. Provision of regional nutritionists to insure coordination in ongoing nutrition services and grantsmanship & educational services to fill gap.

8. DESCRIBE THIS LEVEL OF OPERATION

Provide health and nutritional services to 5,710 or 31% of eligible mothers, infants, and children located on all 7 Indian Reservations and in 10 counties.

Food Packages reduced to include only lowest cost items and not necessarily the most nutritious for persons with health problems.

Elimination of nutrition education followup.

MCH nutrition consultant is grantsperson and provides statewide supportive services to health personnel involved in nutrition services, i.e. workshops, training followup on aminoacidopathy, etc. and interagency cooperation.

10. DESCRIPTION OF IMPACT OF ACTIVITY

The reduction of caseload and elimination of prescription foods would minimize opportunity to impact the low birth weight infants and other health indicies. There is a significant correlation between good nutrition and good health status.

By June, 1977, the average height for weight of infants and children in WIC for 6 months or more will reflect the national average growth and development curve for infants and children.

Statewide anemia rate for WIC infants and children will be reduced from 10% to 5% after 6 months participation.

6. Workload and/or Demand Estimator	1976	1977	1978	1979
# of WIC eligible clients	18,375	18,375	18,375	18,375
# of non-WIC eligible clients	20,000	20,000	20,000	20,000
# regions needing nutritional consultation	5 (all)	5 (all)	5 (all)	5 (all)

9. Output Measures	1976	1977	1978	1979
# clients receiving comprehensive services*	5,900	5,900	5,855	5,855
# clients served **	5,710	5,710	5,710	5,710
Nutrition Consultation	2,080 hrs.	2,080 hrs.	2,080 hrs.	2,080 hrs.
# counties and reservations served	23	23	17	17
#nutrition grants funded regionally	0	0	0	0

11. Impact Indicators	1976	1977	1978	1979
infant mortality	16.5/1000	16/1000	16.8/1000	17.5/1000
neo-natal mortality	12.5/1000	12.5/1000	12.5/1000	13/1000
fetal deaths	10.2/1000	10.2/1000	10.2/1000	10.2/1000
low birth weight	6.9/1000	6.9/1000	7.0/1000	7/1000
% cases under 5th percentile height/ weight ratio.	See description of impact			
occurrence of anemia	See description of impact			

*comprehensive nutrition services
a) screening
b) nutrition counseling
c) evaluation
d) referral

**comprehensive nutrition services and supplemental foods.

Priority Budgeting System

ACTIVITY DECISION PACKAGE

Activity Name	Program	Department	Rank
Nutrition (A)	Health Services	Health and Environmental Sciences	3

12. DESCRIBE ALTERNATIVE LEVELS OF EFFORT (WITH COSTS) B. Cost: 2,705,795. Monthly caseload will be 7,138. Participants will be assessed individually and will have nutrition education and health care plans developed and implemented on an individual basis. All local food distributors will be encouraged to participate in WIC food delivery and participants will be offered the maximum variety of foods available under federal regulations.

C. Cost: **7, 218,389.** Monthly caseload will be increased to 18,375, permitting availability of WIC services to all eligible Montanans. Prenatal and well-child preventive health services will be offered to all participants through district health departments and would insure 80% client participation in on-going preventive health care. State-wide MCH vital statistics for 1978 will exceed the national averages for the same period by 20%.

13. DESCRIBE ALTERNATIVE METHODS OF PERFORMING ACTIVITY (WITH COSTS AND BENEFITS)

Food Stamp allottments would be increased for pregnant and lactating women, and families with infants and children. Rejected because the Food Stamp Program does not permit prescription of specific foods; rather the client has a choice of how the coupons are spent. Also, the Food Stamp Program would have to employ or contract with health professionals to insure those recipients were in nutritional need. (Cost: $5,000,000.)

SOHES could have state employees detailed to field offices to administer WIC. Rejected because we hope to foster local support and administration of public health programs. (Cost: the same)

14. DESCRIBE CONSEQUENCES OF NOT APPROVING PACKAGE

An increase in the incidence of birth defects, mental retardation, fetal deaths, low birth weights, and malnutrition.

15. Resources Required	1976	1977	1978	1979	16. Sources of Funds	1976	1977	1978	1979
Personal Services	117,060	181,716	158,239	161,527	State General Fund	7,712	9,371	7,515	7,534
* Operating Expenses	291,913	456,455	341,497	343,566	Federal	2,428,404	2,689,590	2,157,121	2,162,559
Food	2,027,143	2,060,790	1,665,000	1,665,000	ERA				
Total	2,436,116	2,698,961	2,164,636	2,170,093	Other				
FTE Employees	10.5	15.0	12.0	12.0	Total	2,436,116	2,698,961	2,164,636	2,170,093

17. MANAGER	18. PREPARED BY	19. DATE	20. CODE	Package A of C
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*Includes equipment - $4,145 (76); $4,000 (77), $3,000 (78) $3,000 (79).

Priority Budgeting System

ACTIVITY DECISION PACKAGE

1. Activity Name	2. Program	3. Department	4. Rank
Nutrition (B)	Health Services	Health and Environmental Sciences	14

5. OBJECTIVE To achieve nutritional well being in the population served as stated in output measures (item 9 below) to the degree stated in the impact indicators (item 11 below) within the 78-79 biennium budget.

7. DESCRIBE RECOMMENDED METHOD OF OPERATION

Utilization of contracts to local health providers to cover the delivery of district-wide health services and food packages. Provision of regional nutritionist to insure coordination of ongoing nutrition services & grantmanship and educational services to fill gaps.

8. DESCRIBE THIS LEVEL OF OPERATION

Provide health and nutritional services to 7138 or 39% of eligible mothers, infants, and children located on 7 Indian Reservations and in 13 counties.

Services include individual nutritonal assessment, the development and implementation of nutrition education & health care plans for each participant, as well as monthly distribution of specific highly nutritious foods. The choice of foods available to participants through WIC includes the maximum variety allowed by USDA regulations.

MCH nutrition consultant provides statewide grantmanship and supportive services to health personnel involved in nutrition services, i.e. workshops, inservice training, follow-up on amino-acidapaths, interagency cooperation.

10. DESCRIPTION OF IMPACT OF ACTIVITY

To demonstrate good pregnancy outcome for women and good delivery and birth of infants, and good weight gain of children, as these statistics are reliable indicators of health.

By June, 1977, the average height for weight of infants and children in WIC for 6 months or more will reflect the national average growth and development curve for infants and children.

Statewide anemia rate for WIC infants and children will be reduced from 10 to 5% after 6 months participation.

6. Workload and/or Demand Estimator	1976	1977	1978	1979
# of WIC eligible clients	18,375	18,375	18,375	18,375
# of non-WIC eligible clients	20,000	20,000	20,000	20,000
# regions needing nutritional consultation	5 (all)	5 (all)	5 (all)	5 (all)
9. Output Measures	**1976**	**1977**	**1978**	**1979**
# clients receiving comprehensive aervices*	5,900	5,900	7,313	7,313
# clients served **	5,710	5,710	7,138	7,138
Nutrition Consultation	2,080 hrs.	2,080 hrs.	2,080 hrs.	2,080 hrs
# counties and reservations served	23	23	23	23
#nutrition grants funded regionally	0	0	0	0
11. Impact Indicators	**1976**	**1977**	**1978**	**1979**
infant mortality	16.5/1000	16/1000	16/1000	16/1000
neo-natal mortality	12.5/1000	12.5/1000	12/1000	12/1000
fetal deaths	10.2/1000	10.2/1000	10.2/1000	10.2/1000
low birth weight	6.9/1000	6.9/1000	6.9/1000	6.9/1000
% caaes under 5th percentile height/ weight ratio.	See deacription of impact			
occurrence of anemia	See description of impact			

*comprehensive nutrition aervices
a) screening
b) nutrition counaeling
c) evaluation
d) referral

**comprehensive nutrition servicea and supplemental foods.

Priority Budgeting System

ACTIVITY DECISION PACKAGE

Activity Name	Program	Department	Rank
Nutrition (B)	Health Services	Health and Environmental Sciences	14

12. DESCRIBE ALTERNATIVE LEVELS OF EFFORT (WITH COSTS) A. Cost: 2,164,636. Reduction of the current level of funding by 20% would reduce WIC caseload to 5,710. Individualized nutrition education would be reduced, small dairies and grocer outlets would not be encouraged to participate in food delivery, as their prices are generally higher than the larger chain stores, the monthly allowed food package would be modified such that certain choices by the participants within food categories would be eliminated.

C. Cost: 7,218,389. Monthly caseload will be increased to 18,375. permitting availability of WIC services to all eligible Montanans. Prenatal and well-child preventive health services will be offered to all participants and would insure 80% client participation in on-going preventive health care.

13. DESCRIBE ALTERNATIVE METHODS OF PERFORMING ACTIVITY (WITH COSTS AND BENEFITS)

Food Stamp allottments would be increased for pregnant and lactating women, and families with infants and children. Rejected because the Food Stamp Program does not permit prescription of specific foods; rather the client has a choice of how the coupons are spent. Also, the Food Stmp Program would have to employ or contract with health professionals to insure those recipients were in nutritional need. (Cost: $5,000,000.)

SDHES could have state employees detailed to field offices to administer WIC. Rejected because we hope to foster local support and administration of public health programs. (Cost: the same)

14. DESCRIBE CONSEQUENCES OF NOT APPROVING PACKAGE

An increase in malnutrition, birth defects, fetal deaths, low birth weight, and mental retardation.

15. Resources Required	1976	1977	1978	1979	16. Sources of Funds	1976	1977	1978	1979
Personal Services	117,060	181,716	185,850	189,741	State General Fund	7,712	9,371	9,395	9,419
* Operating Expenses	291,913	456,455	437,555	438,758	Federal	2,428,404	2,689,590	2,696,400	2,703,198
Food	2,027,143	2,060,790	2,082,390	2,084,118	ERA				
Total	2,436,116	2,698,961	2,705,795	2,712,617	Other				
FTE Employees	10.5	15.0	15.0	15.0	Total	2,436,116	2,698,961	2,705,795	2,712,617

17. MANAGER	18. PREPARED BY	19. DATE	20. CODE	Package B of C
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*Includes equipment - $4,145 (76); $4,000 (77); $3,000 (78 & 79).

Priority Budgeting System

ACTIVITY DECISION PACKAGE

1. Activity Name	2. Program	3. Department	4. Rank
Nutrition (C)	Health Services	Health and Environmental Sciences	26

5. OBJECTIVE To achieve nutritional well being in the population served as served as stated in output measures (item 9 below) to the degree stated in the impact indicators (item 11) within the 78-79 biennial budget.

7. DESCRIBE RECOMMENDED METHOD OF OPERATION

Utilization of contracts to local health providers to cover delivery of district-wide health services and food packages. Placement of regional nutrition to insure coordination of ongoing nutrition services and provide education services and grantsmanship to fill gaps.

8. DESCRIBE THIS LEVEL OF OPERATION

Provide health and nutritional services to 15,000 women, infants, and children participating in WIC programs. Assist in promoting health care to eligible clients by helping in coordination (with the Early Detection and Treatment, & Family Planning Packages) of prenatal and well-child clinics to insure that 80% or 12,000 clients participate in ongoing health care. The 5 regional nutritionists would coordinate fragmented nutrition services, avoid duplication and increase efficiency by filling gaps in nutrition services through grantsmanship, training to health personnel. Each regional nutritonist will demonstrate impact of nutrition services by conducting one specific project per year.

6. Workload and/or Demand Estimator	1976	1977	1978	1979
# of WIC eligible clients	18,375	18,375	18,375	18,375
# of non-WIC eligible clients	20,000	20,000	20,000	20,000
# regions needing nutritional consultation	5 (all)	5 (all)	5 (all)	5 (all)
9. Output Measures	**1976**	**1977**	**1978**	**1979**
# clients receiving comprehensive services*	5,900	5,900	23,579	23,579
# clients served **	5,710	5,710	15,000	15,000
Nutrition Consultation	2,080 hrs.	2,080 hrs	2,080 hours	2,080 hou
# counties and reservations served	23	23	56	56
#nutrition grants funded regionally	0	0	5	10

10. DESCRIPTION OF IMPACT OF ACTIVITY

To demonstrate good pregnancy outcome for women and good delivery and birth of infants, and good weight gain of children, as these statistics are reliable indicators of health.

By June, 1977, the average height for weight of infants and children in WIC for 6 months or more will reflect the national average growth and development curve for infants and children.

Statewide anemia rate for infants in children WIC program will be reduced from 10 to 5% after 6 months participation.

11. Impact Indicators	1976	1977	1978	1979
infant mortality	16.5/1000	16/1000	14/1000	13/1000
neo-natal mortality	12.5/1000	12.5/1000	11/1000	10/1000
fetal deaths	10.2/1000	10.2/1000	9.5/1000	9/1000
low birth weight	6.9/1000	6.9/1000	6/1000	5.5/1000
% cases under 5th percentile height/ weight ratio.	See description of impact			
occurrence of anemia	See description of impact			

*comprehensive nutrition services
a) screening
b) nutrition counseling
c) evaluation
d) referral

**comprehensive nutrition services and supplemental foods.

Priority Budgeting System

ACTIVITY DECISION PACKAGE

Activity Name	Program	Department	Rank
Nutrition (C)	Health Services	Health and Environmental Sciences	26

12. DESCRIBE ALTERNATIVE LEVELS OF EFFORT (WITH COSTS) A. Cost: 2,164,636. Reduction of the current level of funding by 20% would mean a reduction in WIC caseload to 5,710. Individualized nutrition education would be replaced by pamphlet distribution, small dairies and grocer outlets would not be encouraged to participate in food delivery, as their prices are generally higher than the larger chain stores, the monthly allowed food package would be modified such that choices by the participants within food categories would be eliminated, i.e., powdered milk instead of fluid milk; hot cereals rather than a choice of several prepared cereals. State-wide MCH Vital Statistics will not be higher than the national average for 1978.
B. Cost: 2,698,961. Monthly caseload will be 7,138. Participants will be assessed individually and will have nutrition education and health care plans developed and implemented on an individual basis. All local food distributors will be encouraged to participate in WIC food delivery and participants will be offered the maximum variety of foods available under federal regulations. One nutrition consultant will provide a minimum of nutrition resources to MCH Bureau Programs.

13. DESCRIBE ALTERNATIVE METHODS OF PERFORMING ACTIVITY (WITH COSTS AND BENEFITS)
Food Stamp allottments would be increased for pregnant and lactating women, and families with infants and children. Rejected because the Food Stamp Program does not permit presciption of specific foods; rather the client has a choice of how the coupons are spent. Also, the Food Stamp Program would have to employ or contract with health professionals to insure those recipients were in nutritional need. (Cost: $5,000,000)
SDHES could have state employees detailed to field offices to administer WIC. Rejected because we hope to foster local support and administration of public health programs. (Cost: the same)

14. DESCRIBE CONSEQUENCES OF NOT APPROVING PACKAGE

An increase in malnutrition, birth defects, fetal deaths, low birth weight, and mental retardation.

15. Resources Required	1976	1977	1978	1979
Personal Services	117,060	181,716	260,169	265,608
* Operating Expenses	291,913	456,455	1,304,290	1,342,369
Food	2,027,143	2,060,790	5,653,930	5,821,510
Total	2,436,116	2,698,961	7,218,389	7,429,487
FTE Employees	10.5	15.0	21.0	21.0

16. Sources of Funds	1976	1977	1978	1979
State General Fund	7,712	9,371	200,977 **	202,600 **
Federal	2,428,404	2,689,590	7,017,412	7,226,887
ERA				
Other				
Total	2,436,116	2,698,961	7,218,389	7,429,487

17. MANAGER	18. PREPARED BY	19. DATE	20. CODE	Package C of C
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*Includes equipment - $4,145 (76); $4,000 (77); $7,000 (78 & 79)

** $120,000 for Incentive Performance Contracting

Priority Budgeting System

ACTIVITY DECISION PACKAGE PRIORITY TABLE

DEPARTMENT	PROGRAM	CODE	MANAGER	DATE
HEALTH AND ENVIRONMENTAL SCIENCES	HEALTH SERVICES	0900	JOHN S. ANDERSON, M.D.	10/21/76

RANK	ACTIVITY NAME AND LEVEL	1976 ACTUAL		1977 ESTIMATED		1978 REQUESTED				1979 REQUESTED			
		DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	CUMULATIVE	% '77	DOLLARS	FTE	CUMULATIVE	% '78
1	Handicapped Children A	461,812	7.75	439,152	7.75	355,233	7.75	355,233	07	357,285	7.75	357,285	07
2	Early Detection & Treatment A	610,842	14.09	623,470	12.34	503,442	12.34	858,675	17	507,901	12.34	865,186	17
3	Nutrition Services A	2,436,116	10.50	2,698,961	15.00	2,164,636	12.00	3,023,311	58	2,170,093	12.00	3,035,279	58
4	Family Planning A	775,920	22.40	621,863	22.40	503,490	20.00	3,526,801	68	508,277	20.00	3,543,556	68
5	Administration A	265,920	5.75	206,421	5.75	165,769	5.75	3,692,570	71	169,732	5.75	3,713,288	71
6	Chronic Disease A	271,168	9.35	240,067	9.60	185,580	5.35	3,878,150	75	188,878	5.35	3,902,166	75
7	Nursing Services A	117,355	7.00	141,695	7.50	113,357	5.50	3,991,570	77	113,357	5.50	4,015,523	77
8	Health Education A	118,401	6.25	122,460	6.50	100,000	5.00	4,091,507	79	105,000	5.00	4,120,523	79
9	Dental Health A	109,446	3.00	109,951	3.00	87,960	2.00	4,179,467	80	90,192	2.00	4,210,715	81
10	Handicapped Children B					87,558	7.75	4,267,025	82	88,072	7.75	4,298,787	83
11	Nursing Services B					32,577	7.50	4,299,602	83	36,547	7.50	4,335,334	83
12	Dental Health B					23,252	3.00	4,322,854	83	22,525	3.00	4,357,759	84
13	Early Detection & Treatment B					515,946	12.34	4,448,715	85	126,975	12.34	4,484,734	86
14	Nutrition Services B					541,159	15.00	4,989,874	96	542,524	15.00	5,027,258	97
15	Family Planning B					125,872	22.40	5,115,746	98	127,069	22.40	5,154,327	99
16	Chronic Disease B					46,396	8.35	5,162,142	99	47,220	8.35	5,201,547	100
17	Health Education B					25,158	6.50	5,187,300	100	23,417	6.50	5,224,964	100
18	Administration B					45,217	5.75	5,232,517	101	45,217	5.75	5,270,181	101
19	Nutrition Services C					4,512,594	21.00	9,745,111	187	4,716,870	21.00	9,987,051	192
20	Handicapped Children C					686,529	12.75	10,431,640	200	695,313	12.75	10,682,365	205
21	Early Detection & Treatment C					320,000	12.34	10,751,640	207	320,000	12.34	11,002,365	211
22	Dental Health C					48,684	4.00	10,800,324	208	105,202	4.00	11,107,567	213
23	Nursing Services C					68,066	11.00	10,868,390	209	58,221	11.00	11,165,788	215
24	Health Education C					117,616	11.00	10,986,006	211	110,753	11.00	11,276,541	217

Priority Budgeting System

ACTIVITY DECISION PACKAGE PRIORITY TABLE

DEPARTMENT	PROGRAM	CODE	MANAGER	DATE
HEALTH AND ENVIRONMENTAL SCIENCES	HEALTH SERVICES	0500	JOHN S. ANDERSON, M.D.	10/21/76

RANK	ACTIVITY NAME AND LEVEL	1976 ACTUAL		1977 ESTIMATED		1978 REQUESTED				1979 REQUESTED			
		DOLLARS	FTE	DOLLARS	FTE	DOLLARS	FTE	CUMULATIVE	% '77	DOLLARS	FTE	CUMULATIVE	% '78
25	Family Planning C					513,243	22.10	11,499,249	221	513,243	22.40	11,769,784	227
26	Chronic Disease C					66,766	9.35	11,566,015	222	67,339	9.35	11,857,123	228
27	Administration C					—0—	—0—	11,566,015	222	—0—	—0—	11,857,123	228
	TOTALS	5,167,000	86.09	5,204,040	89.84	11,566,015	103.84			11,857,123	103.84		

USE OF THE P B S DOCUMENTS

EXECUTIVE BRANCH USES

- Methods improvement
- Productivity measurement
  - Efficiency
  - Effectiveness
- Program Evaluation
- Identify potential savings
- Policy implementation

LEGISLATIVE BRANCH USES

- Output/Effectiveness oriented
- Meaningful information for decision making.
- Optional funding levels vs. consequences.
- Statutory review.
- Priority submission/Ranking.